

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1291
CANNABIS REGULATION AND TAX ACT

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AUTHORITY: Implementing and authorized by the Cannabis Regulation and Tax Act [410 ILCS 705]

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Section 1291.10 Definitions

Terms not defined in this Section shall have the same meaning as in the Cannabis Regulation and Tax Act [410 ILCS 705]. Nothing in this Part is intended to confer a property or other right, duty, privilege or interest entitling an applicant to an administrative hearing upon denial of a dispensing organization application. The denial of a dispensing organization application does not preclude judicial review of the denial. The following definitions are applicable for purposes of this Part:

"Act" means the Cannabis Regulation and Tax Act [410 ILCS 705].

"ADA" means the Americans With Disabilities Act of 1990 (42 USC 12101).

"Address of record" means the address record by the Department in the applicant's application file maintained by the Department.

"Adult Use Dispensing Organization License" means a license issued by the Department that permits a person to act as a dispensing organization under this Act and any administrative rule made in furtherance of this Act.

"Affiliate" means a Person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that Person.

"Affiliated entity" means any business entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person.

"Applicant" means the Proposed Dispensing Organization Name as stated on a license application.

"Application date" is the date an application for approval was received by the Department.

"Application points" means the number of points a Dispensary Applicant receives on an application for a Conditional Adult Use Dispensing Organization License.

"Application submission window" means the period between August 1st and August 15th of every odd numbered year during which the Department will receive applications to be approved as a Responsible Vendor Provider unless the date falls on a holiday or weekend in which case the window is extended to the next business day. The application submission window shall close at 5 p.m. central time on the final day on which applications are accepted.

"Approved list" is the list of providers.

"BLS region" means a region in Illinois used by the United States Bureau of Labor Statistics to gather and categorize certain employment and wage data. The 17 regions in Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion, Champaign-Urbana, Chicago-Naperville-Elgin, Danville, Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria, Rockford, St. Louis, Springfield, Northwest Illinois nonmetropolitan area, West Central Illinois nonmetropolitan

area, East Central Illinois nonmetropolitan area, and South Illinois nonmetropolitan area. (Section 1-10 of the Act)

"Bulk cannabis inventory" means cannabis and cannabis-infused products stored in the reinforced vault in clear, heat-sealed or taped shrink wrap bags or sheeting that is labeled with the date the inventory is sealed, the last four digits of the batch number, the number of items contained within the wrapping, and the date the inventory was last counted. Bulk Cannabis Inventory is included in the dispensing organization's total inventory available for sale.

"By lot" means a randomized method of choosing between two or more ~~applicants~~ ~~Eligible Tied Applicants or Qualifying Applicants~~.

"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including:

derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not;

the seeds thereof, the resin extracted from any part of the plant; and

any compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction.

"Cannabis" does not include:

the mature stalks of the plant;

fiber produced from the stalks, oil or cake made from the seeds of the plant;

any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination;

industrial hemp as defined and authorized under the Industrial Hemp Act [505 ILCS 89].

"Cannabis" does include cannabis flower, concentrate, and cannabis-infused products.

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, or transporting organization.

"Cannabis flower" means marijuana, hashish, and other substances that are:

identified as including any parts of the plant *Cannabis sativa* and including derivatives or subspecies, such as indica, of all strains of cannabis; and

raw kief, leaves, and buds

"Cannabis flower" does not include resin that has been extracted from any part of a plant, nor any compound, manufacture, salt, derivative, mixture, or preparation of a plant, its seeds, or resin.

"Cannabis-Infused product" means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis or cannabis concentrate that is not intended to be smoked.

"Conditional license" means a Conditional Adult Use Dispensing Organization License.

"Department" means the Department of Financial and Professional Regulation.

"Dispensary Applicant" means the Proposed Dispensing Organization Name as stated on an application for a Conditional Adult Use Dispensing Organization License.

"Dispensing organization" means a facility operated by an organization or business that is licensed by the Department to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under the Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in this Part, "dispensing organization" includes a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Program Act [410 ILCS 130] or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License. (Section 1-10 of the Act)

"Dispensing Organization License" or "License" means any Early Approval Adult Use Dispensing Organization License, Conditional Adult Use Dispensing Organization License, or Adult Use Dispensing Organization License.

"Dispensing organization agent ID card" or "agent ID card" means a document issued by the Department that identifies a person as a dispensing organization agent, agent-in-charge, or principal officer.

"DOA" means the Illinois Department of Agriculture.

"DPH" means the Illinois Department of Public Health.

"Email address of record" means a primary or alternate contact email address recorded by the Department in the applicant's application file maintained by the Department.

"Eligible applicant" means a tied applicant eligible to participate in the process by which a remaining available license is distributed by lot.

'Firearm Injury' means a gunshot wound or penetrating injury from a weapon that uses a powder charge to fire a projectile. Weapons that use a power charge include handguns, rifles, and shotguns. Injuries from air- and gas-powered guns, BB guns, and pellet guns are not considered firearm injuries as these types of guns do not use a powder charge to fire a projectile.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) and the HIPAA Privacy Rule as found at 45 CFR 164.

"Individual" means a natural person.

"ISP" means the Illinois State Police.

"Laboratory" means an independent laboratory located in Illinois and approved by DOA to have custody and use of controlled substances for scientific and medical purposes and for purposes of instruction, research or analysis.

"Member of an impacted family" or "impacted family member" means an individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of this Act, was arrested or convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act.

"Notify" means to send via regular United States mail or email.

"On-site instruction" means class is held at a physical location in-person or remotely by real-time video technology tools.

"Person" means a natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

"Principal officer" includes a cannabis business establishment applicant or licensed cannabis business establishment's board member, owner with more than 1% interest of the total cannabis business establishment or more than 5% interest of the total cannabis business establishment of a publicly traded company, president, vice president, secretary, treasurer, partner, officer, member, manager member, or person with a profit sharing, financial interest, or revenue sharing arrangement. This definition includes a person with authority to control the cannabis business establishment or a person who assumes responsibility for the debts of the cannabis business establishment. (Section 1-10 of the Act)

"Qualifying Applicant" means an applicant that submitted an application pursuant to Section 15-30 of the Act that received at least 85% of 250 application points available under Section 15-30 as the applicant's final score and meets the definition of "Social Equity Applicant" as defined in the Act.

"Reinforced vault" means a room built to the specifications listed in Section 1291.220(g).

"Remaining available license" means a license in a BLS region that has not been awarded by the Department at the conclusion of the scoring process period. There may be more than one remaining available license in a BLS region. For example, if four licenses are available in a BLS region and the five highest scoring Dispensary Applicants receive scores of 245, 240, 235, 235, and 235 points, the applicants receiving 245 and 240 application points will be awarded licenses and the three applicants receiving 235 points may become Eligible Applicants. Likewise, if one license is available in a BLS region and there are five Dispensary Applicants with the highest score, all five Dispensary Applicants may become Eligible Applicants.

"Scoring process period" is the period of time between the conclusion of the submission period for a conditional license application and when the Department publishes the names of tied applicants that may become eligible applicants.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"State verification system" means a web-based system established and maintained by the State of Illinois that is available to the Department, DOA, ISP, and

dispensing organizations and the tracking of the date of sale, amount, and price of cannabis purchased by purchasers.

"Tied applicant" means an application submitted by a Dispensary Applicant pursuant to Section 15-30 that received the same number of application points under Section 15-30 as the Dispensary Applicant's final score as one or more top-scoring applications in the same BLS region and would have been awarded a license but for the one or more other top-scoring applications that received the same number of application points. Each application for which a Dispensary Applicant was required to pay a required application fee for the application period ending January 2, 2020 shall be considered an application of a separate Tied Applicant.

"Top participant" means an applicant drawn by lot in a winning slot such that it has the opportunity to be issued a conditional license.

"Victim" means (1) a person killed or injured as a result of a firearm injury perpetrated or attempted against him or her, (2) the spouse, parent, or child of a person killed or injured as a result of a firearm injury perpetrated or attempted against the person, or anyone living in the household of a person killed or injured in a relationship that is substantially similar to that of a parent, spouse, or child, (3) a person killed or injured while attempting to assist a person against whom a firearm injury is being perpetrated or attempted, if that attempt of assistance would be expected of a reasonable person under the circumstances, (4) a person killed or injured while assisting a law enforcement official apprehend a person who has perpetrated a firearm injury or prevent the perpetration of any such crime if that assistance was in response to the express request of the law enforcement official, or a (5) a person who personally witnessed a firearm injury. The victim must not be the offender in the criminal act and must not have provoked or incited the crime.

(Source: Amended at 46 Ill. Reg. _____, effective _____)

Section 1291.400 2022 Lottery

- a) The Department may distribute at least 50 conditional licenses by lot pursuant to this Part.
- b) All licenses issued pursuant to this Part shall be drawn by lot on the same day to the extent possible.
- c) Prior to conducting any lottery pursuant to this Part, the Department shall publish on its website a list of all applicants eligible to participate in the lottery.

- d) After the Department publishes the list of applicants eligible to participate in the lottery, all applicants shall have 5 business days to contest the Department's list of applicants eligible to participate in the lottery. This contestation shall be on a form or in a manner prescribed by the Department.
- e) The Department may revise and republish its list of applicants eligible to participate in the lottery if it concludes that any applicants were improperly included or excluded. The Department is not required to provide any additional opportunities to contest the list of applicants eligible to participate in the lottery beyond the initial 5 business days identified in paragraph (d).
- f) The Department may conduct a lottery at any time after the 5-business day period to contest the list of lottery participants has concluded.
- g) The publishing of the list of applicants to participate in the lottery, and any revised list, is not a final agency decision. Any opportunity to contest the list shall not be considered a rehearing or an action for administrative review.
- h) The Department shall publish the certified results of the lottery. The Department's publishing of the certified results of the lottery constitutes a final agency decision and may be appealed pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq.

(Source: Added at 46 Ill. Reg. _____, effective _____)

Section 1291.405 License Distribution

- a) To ensure the geographic dispersion of conditional license holders, the following number of licenses issued as a result of any lottery conducted pursuant to Section 1291.400 of this Part shall be awarded in the following BLS regions and amounts:
- 1) Bloomington: 1
 - 2) Cape Girardeau: 1
 - 3) Carbondale-Marion: 1
 - 4) Champaign-Urbana: 1
 - 5) Chicago-Naperville-Elgin: 36
 - 6) Danville: 1

- 7) Davenport-Moline-Rock Island: 1
- 8) Decatur: 1
- 9) Kankakee: 1
- 10) Peoria: 2
- 11) Rockford: 1
- 12) St. Louis: 3
- 13) Springfield: 1
- 14) Northwest Illinois nonmetropolitan: 1
- 15) West Central Illinois nonmetropolitan: 1
- 16) East Central Illinois nonmetropolitan: 1
- 17) South Illinois nonmetropolitan: 1

b) Applicants are prohibited from applying in more than one BLS region and are limited to one application in that BLS region. If an applicant submits more than one application, the applicant forfeits all applications from entry into the lottery and is prohibited from being a top participant.

c) Within each BLS Region, the first applicant drawn will have the first opportunity to a conditional license. The second applicant drawn will have the second opportunity to a conditional license. The same pattern will continue for each subsequent applicant drawn.

(Source: Added at 46 Ill. Reg. _____, effective _____)

Section 1291.410 Application

a) The Department shall publish an online application for applicants. Paper applications will not be accepted.

b) After publishing the online application, the application window shall remain open for submissions for a minimum of 10 business days following the day the application was published. Applications must be submitted by 5:00 P.M. Central

Time on the last day of the application window and no applications will be accepted after the application window closes.

- c) A principal officer cannot be included on more than one application. The Department shall require that all applicants provide each of its principal officers' Social Security Numbers or Individual Taxpayer Identification Number, and any other unique, identifying information, required in the application to ensure that an individual principal officer is not listed as a principal officer on more than one application.
- d) All applicants shall pay a non-refundable application fee of \$250, to be deposited into the Cannabis Regulation Fund.
- e) An application shall be accepted only if it is complete. All incomplete applications shall be denied. A completed application shall include the nonrefundable fee and, at a minimum, the following information:
 - 1) the applicant's proposed entity name;
 - 2) the name of the person(s) filling out the application;
 - 3) the BLS Region in which the applicant is applying;
 - 4) the names, Social Security Numbers or Individual Taxpayer Identification Number, home addresses, birthdates, phone numbers, and email addresses, for all proposed principal officers of the proposed entity;
 - 5) the identification of and contact information, including phone number and email address, for a primary and alternate contact of the proposed entity, at least one of whom must also be a principal officer;
 - 6) an acknowledgment that if awarded an opportunity for a conditional license in the lottery, The business entity is 51% or more owned or controlled by one or more individuals who each meet the combination of at least one or the criteria under Criteria 1 and one of the criteria under Criteria 2. This does not mean multiple individuals need to meet identical criteria, but each individual must meet at least one criteria from Criteria 1 and one criteria from Criteria 2.
 - A) Criteria 1 (only 1 required):
 - i) An individual who has resided for a least 5 of the preceding 10 years in a census tract that has a poverty rate of at least

- 430 20% according to the latest American Community Survey
 431 available at
 432 [https://data.census.gov/cedsci/table?q=poverty%20rate&g=](https://data.census.gov/cedsci/table?q=poverty%20rate&g=0100000US%241400000&tid=ACSST5Y2020.S1701;)
 433 [0100000US%241400000&tid=ACSST5Y2020.S1701;](https://data.census.gov/cedsci/table?q=poverty%20rate&g=0100000US%241400000&tid=ACSST5Y2020.S1701;)
 434
 435 ii) An individual who has resided for at least 5 of the
 436 preceding 10 years in a census tract where at least 20% of
 437 the households receive assistance under the Supplemental
 438 Nutrition Assistance Program, available at
 439 [https://data.census.gov/cedsci/table?q=snap%20participatio](https://data.census.gov/cedsci/table?q=snap%20participation&g=0100000US%241400000&tid=ACSST5Y2020.S2201)
 440 [n&g=0100000US%241400000&tid=ACSST5Y2020.S2201](https://data.census.gov/cedsci/table?q=snap%20participation&g=0100000US%241400000&tid=ACSST5Y2020.S2201)
 441 ;
 442
 443 iii) An individual who has resided for at least 5 of the
 444 preceding 10 years in a census tract area classified as "low
 445 income and low access" where at least 100 households are
 446 more than one-half mile from the nearest supermarket and
 447 have no access to a vehicle or a significant number (at least
 448 500 people) or share (at least 33%) of the population is
 449 greater than 1 mile from the nearest supermarket,
 450 supercenter, or large grocery store for an urban area or
 451 greater than 20 miles for a rural area, as classified by the
 452 latest data set that is publicly available at the start of the
 453 application window for any lottery conducted under this
 454 Part. Such data set, the United States Department of
 455 Agriculture Economic Research Service's Food Access
 456 Research Atlas, is available at
 457 [https://www.ers.usda.gov/data-products/food-access-](https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas;)
 458 [research-atlas/go-to-the-atlas;](https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas;)
 459
 460 iv) An individual who has received Medicaid, Supplemental
 461 Security Income, Social Security Disability, and/or
 462 subsidized housing for at least 5 of the preceding 10 years;
 463 and/or,
 464
 465 v) An individual who has resided for at least 5 of the
 466 preceding 10 years in a census tract in the top 15th
 467 percentile for the percent of residents in the census tract
 468 failing to graduate from High School in that state, as
 469 classified by the latest data set that is publicly available at
 470 the start of the application window for any lottery
 471 conducted under this Part. Such data set, by the United
 472 States Census Bureau is available at

<https://www.census.gov/topics/education/educational-attainment/data/data-tools.html>.

B) Criteria 2 (only 1 required):

- i) An individual who has been arrested for, convicted of, or adjudicated delinquent for any offense, or substantially similar offense, of Illinois, federal or other state law for (1) possession of not more than 500 grams of cannabis or (2) manufacture, delivery, or possession with intent to deliver, or manufacture of cannabis up to 30 grams;
- ii) An individual who has a family member who has been arrested for, convicted of, or adjudicated delinquent for any offense, or substantially similar offense, of Illinois, federal, or other state law for (1) possession of not more than 500 grams of cannabis or (2) manufacture, delivery, or possession with intent to deliver, or manufacture or cannabis up to 30 grams.
- iii) An individual who has been a victim of firearm injury, as those terms are defined in these Rules. This must be evidenced by either a police report or medical record.
- iv) As soon as reasonably possible, but no later than 5 business days prior to the acceptance of applications, the Department shall make publicly available the documents applicants may use to establish eligibility under both Criteria 1 and 2.

7) An acknowledgment that if awarded a conditional license, neither the entity nor any of its principal officers would violate the Act's license number limitations.

8) The acknowledgement will also include a statement or indication that the applicant understands the timeframes to do so as required in these rules.

f) If an applicant fails to meet and prove the criteria identified in Option 1 or Option 2 above within 45 calendar days from the date the applicant receives a notice of being a top participant from the Department and any required 10 business day deficiency period or 5 business day intent to deny periods as those periods are set forth in Section 1291.420 of this Part, the Department shall deny issuance of a

conditional license and proceed to the next top participant as described in Section 1291.420(c) of this Part.

g) If two or more applications include the same principal officer, the Department may notify the applicant at its identified primary and alternate contacts and the principal officer who is listed on two or more applications, via email. Upon this notification, the identified principal officer has 3 business days to notify the Department of its resignation from one of the proposed entities. This notification shall be submitted to the Department in a form or manner prescribed by the Department. If the identified principal officer does not notify the Department of the principal officer's required resignation within the required time period, each applicant notified shall forfeit its application and nonrefundable fee.

h) If the Department determines that any information on an application or supporting documents is not truthful, the applicant associated with that application will be prohibited from participating in the lottery, from being a top participant, and from being issued a conditional license or Adult Use Dispensing Organization License. The Department shall notify the next eligible top participant drawn by lot of its opportunity for the conditional license, in accordance with Section 1291.405(c) of this Part.

i) If a principal officer identified on an application dies after the applicant has submitted its application but prior to the conducting of any lottery, the applicant does not need to inform the Department unless the applicant becomes a top participant eligible for a conditional license after the lottery is conducted. If the applicant becomes a top participant, the applicant is required to follow the process identified in Section 1291.420 of this Part.

j) The Department shall only communicate with the applicant or top participant's primary and alternate contact regarding the applicant or top participant's application. In order to change its primary or alternate contact information, an applicant or a top participant must submit a request to change from the current primary or alternate contact email address the Department has on record.

(Source: Added at 46 Ill. Reg. _____, effective _____)

Section 1291.420 Post Lottery Proof Requirements

a) The Department shall publish a list of supporting documents applicants must submit in order to prove it meets the criteria required in Option 1 or Option 2 of paragraph (e) of Section 1291.410 to be issued a conditional license. This list shall be published on the Department's website on the same day the Department opens the application window.

- b) Top participants shall have 45 calendar days from the day the lottery is certified to submit all required supporting documents to the Department in a form or manner prescribed by the Department.
- c) After a top participant has submitted its supporting documents, the Department has at least 60 calendar days to review the documentation.
- d) If the Department determines that the supporting documents are insufficient, the Department shall issue a deficiency notice to that top participant. The top participant shall have 10 business days from the date of the deficiency notice to submit sufficient documentation.
- e) If the top participant fails to provide sufficient documents after this deficiency period, the Department shall inform a top participant of its intent to deny the issuance of a conditional license prior to any denial of a conditional license.
- f) Top participants shall have 5 business days from the date of the notice of intent to deny to contest the Department's decision or provide sufficient supporting documents. This contestation shall be in a form or manner prescribed by the Department.
- g) The Department shall have 10 business days to review a top participant's contestation of the Department's intent to deny and any supporting documents and either affirm or revoke its intent to deny.
- h) The Department's decision to either affirm or revoke its intent to deny constitutes a final agency decision and may be appealed under the Administrative Review Law pursuant to [735 ILCS 5/3-101 et seq].
- i) If the Department informs a top participant of a deficiency or of its intent to deny the issuance of a conditional license because of one of the applicant's principal officers, the principal officer may resign from the top participant (or another licensee) in order for the top participant to remain eligible for a conditional license. Proof of this resignation shall be submitted to the Department in a form or manner prescribed by the Department.
- j) If a principal officer of a top participant resigns after that top participant has been notified of the Department's intent to deny, that top participant may not replace the resigned principal officer. If a principal officer of a top participant resigns after that top participant has been notified of the Department's deficiency notice or intent to deny, and that top participant therefore becomes ineligible to meet the

requirements of the Act and these Rules, the Department shall deny that top participant a conditional license.

- k) If the Department affirms its intent to deny, the Department shall deny issuance of a conditional license and proceed to the next to participant as described in Section 1291.420 of this Part.
- l) If the Department denies issuance of a conditional license to a top participant, the Department shall notify the next eligible top participant drawn by lot of its opportunity for the conditional license, in accordance with Section 1291.405(c) of this Part.
- m) The Department may issue conditional licenses to top participants on a rolling basis.
- n) If a principal officer of an applicant dies after the submission of any application, and that applicant is then selected as a top participant, the top participant shall present proof of death to the Department. A deceased principal officer may be replaced only if that principal officer was necessary for the top participant to remain eligible to be issued a conditional license. If a necessary principal officer of a top participant dies prior to issuance of the conditional license, the top participant shall have 45 calendar days to submit proof of a replacement principal officer in order to remain eligible for a conditional license.
- o) The Department shall deny issuance of a conditional license if it would result in a single person or entity having a direct or indirect financial interest in more than 10 Early Approval Adult Use Dispensing Organization Licenses, conditional licenses, or Adult Use Dispensing Organization Licenses. Any entity that is awarded a conditional license that results in a single person or entity have a direct or indirect financial interest in more than 10 licenses shall forfeit the most recently issued license and suffer a penalty to be determined by the Department, unless the entity declines the license at the time it is awarded.

(Source: Added at 46 Ill. Reg. _____, effective _____)

Section 1291.440 Post Issuance Licensing Requirements

- a) A conditional license cannot be sold, transferred, or assigned and the conditional license holder cannot in any way change its ownership structure, including by removing or adding any principal officers, except for in the event of the death of a principal officer.

- b) If a principal officer of a conditional license holder dies prior to the issuance of any Adult Use dispensing Organization License under Section 15-36 of the Act, the conditional license holder shall inform the Department of the death and submit an updated table of organization.
- c) A principal officer may be added to the ownership structure of a conditional license holder only in the event of replacing a deceased principal officer, subject to the Department's approval of that principal officer.
- d) The death of a principal officer following issuance of a conditional license shall not impact the conditional license holder's eligibility to be issued an Adult Use Dispensing Organization License under Section 15-36 of the Act.
- e) A conditional license holder who receives a conditional license through any lottery conducted pursuant to this Part has 365 calendar days from the date of issuance of the conditional license to identify a physical location for the dispensing organization retail storefront. For purposes of this paragraph, proof of identifying a physical location includes but is not limited to one of the following: proof building ownership by the top participant; agreement to purchase building or lease that is dependent on zoning or state license approval; signed lease for the term of the initial license; or proof of zoning approval or application for zoning approval. A conditional license holder shall provide evidence that the location is not within 1,500 feet of an existing dispensing organization. If a conditional license holder is unable to find a suitable physical address within 365 calendar days of the issuance of the conditional license, the Department may extend the period for finding a physical address another 180 calendar days if the conditional license holder demonstrates the steps it has taken to secure a location and hardship. If the Department denies the request for an extension or the conditional license holder is unable to become operational within 545 calendar days of being awarded a conditional license, the Department shall rescind the conditional license.

(Source: Added at 46 Ill. Reg. _____, effective _____)